GOVERNOR'S OFFICE

Office of State Planning and Budgeting

Figure Setting Comebacks
FY 2007-08

March 16, 2007

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Figure Setting Comeback Request Summary
Dollar Figures Reflect Incremental Amounts to JBC Action

Rank	Department	Issue	General Fund	Other Funds
1	Human Services	HIPAA Maintenance	$166,781	$55,594
2	Natural Resources	Mileage	0	93,553
3	Human Services	Regional Centers Common Policies	0	207,163
4	Revenue	Emissions Program FTE	0	188,866
5	Human Services	Disaster Recovery FTE	52,385	20,447
6	Human Services	Human Resources Staffing FTE	63,835	0
7	Natural Resources	Parks Refinancing	750,000	(750,000)
8	Governor's Office	Office of the Chief Information Security Officer	2,449,782	0
9	Health Care Policy & Financing	Funding for Enrollment Broker Contract	121,392	121,392
10	Higher Education	Governor's Opportunity Scholarship	0	0
Total Operating Comeback Request (incremental to JBC Action)			**$3,604,175**	**($62,985)**
NP	Public Health & Environment	Capital Construction- Waste Water	0	1,500,000
NP	Public Health & Environment	Capital Construction- Drinking Water	0	1,500,000
NP	Revenue	Capital Construction- Port of Entry	0	284,174
Total Capital Comeback Request (incremental to JBC Action)			**$0**	**$3,284,174**

The Office of State Planning and Budgeting (OSPB) respectfully requests reconsideration of the FY 2007-08 figure setting action detailed on the following pages. The comeback requests presented in this document reflects action taken by the Committee through March 15, 2007.

FY 2007-08 Figure Setting Comeback Request Priority #1

Department of Human Services – HIPAA Maintenance
Priority on Decision Item List: 10 out of 27

	FY 2007-08 Base Request	FY 2007-08 Change Request	JBC Action	Comeback Request	Difference between JBC Action and Comeback Request
Total	**$292,252**	**$222,375**	**$291,648**	**$514,023**	**$222,375**
FTE	2.0	0.0	2.0	2.0	0.0
GF	215,879	166,781	215,426	382,207	166,781
CF	379	0	379	379	0
CFE	56,725	44,475	56,604	101,079	44,475
FF	19,269	11,119	19,239	30,358	11,119
MCF	56,725	44,475	56,604	101,079	44,475
MGF	28,363	22,238	28,302	50,540	22,238
NGF	244,242	189,019	243,728	743,747	189,019

Summary of Request

The Department of Human Services requested $222,375 total funds ($189,019 net General Fund) in order to ensure continued Health Insurance Portability and Accountability Act (HIPAA) compliance. As a HIPAA-covered entity, the Department of Human Services is responsible for maintaining a HIPAA compliant environment and for safeguarding all protected health information that is received, created or maintained by the Department. With the original FY 2004-05 $2.5 million HIPAA remediation appropriation, the Department made many initial IT investments to protect electronic information. These initial purchases included encryption software for all departmental email and laptop computers, 19 firewalls, anti-virus software, spam-filters, servers, etc. When the department purchased these items in FY 2004-05, it was able to leverage this funding to secure three-year maintenance agreements. Since FY 2007-08 represents the end of these three years, many of these license and maintenance agreements will expire during the upcoming fiscal year. Thus the Department requires additional funding in order to ensure continued HIPAA compliance. Failure to fund this request will place the Department out of compliance exposing the Department to federal fines.

Committee Action

Although Joint Budget Committee staff recommended this request, the Committee voted against it. Instead the Committee wanted to know how HIPAA security is being addressed on a statewide basis.

OSPB Comeback

The Governor's Office of Cyber Security and Information Technology are actively assessing IT security needs across the State. Specifically these entities are in the process of exploring efficiencies, consolidation, and standardization of software, hardware and applications and will develop a proposal during FY 2007-08 to address their findings. These efforts were codified in HB 06-1157, which directed Colorado's Chief Information Security Officer to promulgate information security policies, rules, standards, and guidelines; conduct information security audits and assessments; establish and oversee a risk management process, and conduct information security awareness and training programs. This bill also gave each state agency until July 15, 2007 to develop and submit its information security plan. However, because the federally-mandated HIPAA requirements are more stringent than recommended cyber security best-practices, and because HIPAA penalties are so steep, the security needs reflected in this request cannot wait until the development of the statewide IT security plan as outlined in HB 06-1157.

It is also important to note, that despite statewide coordination and planning, there may be limited opportunity for cross-agency purchasing of HIPAA-related software, licenses and hardware. This is because as the functions of the various HIPAA-covered entities vary greatly from one other, so do their hardware and software needs. As a extremely large state agency that functions as a HIPAA compliant direct care provider, the Department of Human services operates unique email, accounting, billing and case management systems that require very particular HIPAA IT solutions. These solutions differ greatly from those required by other state agencies whose purposes, functions, processes and systems do involve providing a variety direct care services.

If this funding is not approved, many software licenses and maintenance agreements will expire during FY 2007-08 causing many of the software programs integral to the daily operation of the Department to cease upon termination of the particular maintenance contract or agreement. This will mean that the Department's networks will be compromised and that the Department will be out of compliance with the federally mandated HIPAA Security Rule. The maximum civil penalty for a HIPAA breach is $100 per violation and up to $25,000 for all violations of an identical requirement or prohibition for a calendar year. These sanctions are calculated using three variables: actions committed, persons affected, and duration of the violation. These factors can be used singularly or collectively to calculate fines. For example, if the license for the email encryption software lapsed and a Human Services employee sent an email containing protected health information for 1,000 clients and that email were inappropriately addressed or forwarded and the privacy of those clients were somehow compromised, the State could receive a fine of $100,000 *per day* ($100 fine x 1,000 clients). If it were to take more than two days for the State to correct this violation, the fine would exceed the cost of the request.

The Department requested $222,375 in base building as opposed to requesting approximately $667,125 every three years to support continuation of HIPAA software and license agreements. Incorporating a $222,375 into the base for this purpose will enable the Department to manage all existing hardware and software solutions within the requested base budget by staggering hardware and software renewal and refresh dates. This will prevent the Department from being locked into any one single solution for multiple years and will enable the Department to evaluate solutions on an annual basis to determine if the solution is still performing as anticipated, is still being offered at the best price, is still the preferred solution, etc.

FY 2007-08 Figure Setting Comeback Request Priority #2

Department of Natural Resources – Division of Water Resources: Reimbursement of Employees for Mileage Expense
Priority on Decision Item List: 3A out of 28

	FY 2007-08 Base Request	FY 2007-08 Change Request	JBC Action	Comeback Request	Difference between JBC Action and Comeback Request
Total	**$1,650,957**	**$93,553**	**$1,557,404**	**$1,650,957**	**$93,553**
FTE	0.0	0.0	0.0	0.0	0.0
GF	$1,062,896	0	1062896	$1,062,896	0
CF	$403,979	0	403,979	$403,979	0
CFE	$184,082	$93,553	90,529	$184,082	$93,553
FF	0	0	0	0	0

Summary of Request

The Division of Water Resources submitted a budget amendment for $93,553 cash funds exempt spending authority for FY 2007-08 to account for increased mileage expenses incurred by Division employees who are required to drive their personal vehicles for water administration duties. The Division has approximately 60 field staff who are required to drive their personal four-wheel drive vehicles to perform all field work required to satisfy basic water administration duties. The objective of this request is to allow the agency to maintain water administration services at current levels, and would be financed through reserves from the Ground Water Cash Fund.

As a result of increases in mileage rates implemented by SB 06-173, coupled with recent increases in the IRS mileage rate, mileage expenses for personal vehicles driven by Water Resources will increase by 38 percent during FY 2007-08. Without additional spending authority the agency will be compelled to reduce miles driven, thus canceling fieldwork for 1.4 days out of every five working days throughout the year.

Committee Action

The JBC denied the request, emphasizing the intent of the General Assembly through SB 06-173 to require agencies to absorb the increase in mileage expenses by driving less. To the extent that the Department was unable to accomplish such reductions, the General Assembly required the Department to present a report outlining its plan to increase efficiencies, reduce travel, and transfer funds from within existing appropriations. This report was due on September 1, 2006. Please see 24-9-104, C.R.S.

The Department did not submit the report. In July 2006, the Department implemented a one-year plan to pay the additional mileage expense of $41,677 by reducing specific operating expenditures by a like amount. The Department believes that by undertaking a plan on its own to finance its additional mileage expenditures for FY 2006-07 that did not require transfers within existing appropriations, that it was not required to submit the report to the JBC.

It is arguable whether the requirement of submitting the report was triggered by the Department's actions regarding financing the additional mileage expenses. On one hand, the Department did pay for the increases mileage cost from existing resources for FY 2006-07 and did not require a transfer between line items. On the other hand, the Department did not reduce miles driven or increase efficiencies.

Because the statute requires a report "in the event that" miles driven could not be reduced and increased efficiencies could not be achieved, it is the belief of the OSPB that the Department should have submitted the report to the JBC. The statute requires the report regarding the Department's implementation of the statute, "including any efficiencies, reduced travel, and requests for transfers within the existing approved appropriations." This is permissive language and does not rule out the reporting of other methods of meeting the costs of the mileage increase. The OSPB believes that this approach reflects the legislative intent to be made aware of special circumstances in particular departments that are unable to reduce miles driven, and by not submitting the report, the Department did not inform the legislature.

OSPB Comeback

During the summer of 2006, the Division of Water Resources projected an increase in mileage costs of $41,677 for FY 2006-07, based upon the provisions of SB 06-173. Recognizing the statutory need to provide basic water administration services, the Division did not believe it feasible to reduce miles driven by field staff. Consequently, the Division initiated a plan to reduce other operating costs and absorb the additional mileage expenses within the existing operating appropriation for FY 2006-07.

Furthermore, in December of 2006 the Division was notified of a 4-cent increase in the mileage rate established by the Internal Revenue Service, effective January 1, 2007. This rate increase required $11,788 in additional operating budget reductions, including deferment of computer replacement, replacement of twenty-year-old window blinds, and taking advantage of a surge in the replacement of state-owned vehicles. These are one-time operating savings and cannot be carried forward into FY 2007-08.

The Division cannot sustain a $93,553 increase in expense during FY 2007-08 absent substantial reductions in water administration services. If this comeback request is not approved, the Division must require 60 water commissioners to suspend use of their personal vehicles for 1.4 days during every 5 working days, thus eliminating 28% of their field enforcement activities for the entire water season. Should this occur, the reduction in water diversion observations will precipitate illegal diversions (theft) of water by junior water rights owners. The Division projects a theft of 133,000 acre-feet of water for next fiscal year. At $66.67 per acre-foot, the estimated value of total crop production lost equals the value of the water, or $8,867,110 per year. In addition, lack of adequate field enforcement activities threatens the ability of the agency to assure compliance with interstate compact requirements; this environment could expose the State to future litigation activities.

The Department provided a reversion report for FY's 2004-05 to current year. The Department reverted approximately $5,000 in cash funds for FY's 2004-05 and 2005-06. This reversion was caused by an underexpenditure in the Drought Loan Program due to a dearth of assistance applications. For FY 2006-07, the Department is projecting a reversion similar to pervious fiscal years. Thus, it appears that the Department has inadequate reversions to support this request.

FY 2007-08 Figure Setting Comeback Request Priority #3

Department of Human Services – Regional Center Common Policy Reduction
Priority on Decision Item List: N/A

	FY 2007-08 Base Request	FY 2007-08 Change Request	JBC Action for base*	Comeback Request	Difference between JBC Action and Comeback Request
Total	**$41,432,652**	**$0**	**41,225,489**	**$41,432,652**	**$207,163**
FTE	887.4	0.0	887.4	887.4	0.0
GF	0	0	0	0	0
CF	2,608,448	0	2,608,448	2,608,448	0
CFE	38,824,204	0	38,617,041	38,824,204	$207,163
FF	0	0	0	0	0
MCF	38,824,204	0	38,617,041	38,824,204	$207,163
MGF	19,412,102	0	19,308,521	19,412,102	103,582
NGF	19,412,102	0	19,308,521	19,412,102	103,582

*The Department of Human Services requested an exemption from the personal service base reduction for FY 2007-08. A similar exemption was requested by the Department and granted by the JBC for FY 2006-07.

Summary of Request

The Department requests reconsideration of the Committee's application of the common policy 0.5 percent base reduction for the Regional Center 24-hour care staff.

Committee Action

The JBC voted to apply the common policy personal services base reduction, thereby reducing the FY 2007-08 personal services base appropriation for regional centers by 0.5 percent.

OSPB Comeback

As in FY 2006-07, the Department of Human Services received an exemption from the 0.2 percent personal services base reduction that was applied to FY 2007-08 November 1 Executive request. Although this waiver was approved by the Committee for FY 2006-07, the Committee has voted not to grant it for FY 2007-08 and instead has voted to increase the personal services base reduction to 0.5 percent.

The Department's 24-hour Regional Center operation cannot afford extended vacancies that the 0.5 percent 'vacancy savings' common policy is intended to capture. This is because as 24-hour direct care facilities, the State's regional centers must fill vacancies with 'pool' staff or with overtime pay in order to assure safety of clients 24 hours a day, seven days per week. Due to the intense supervision needs of the population served at the Regional Centers, these Regional Centers must have appropriate staff coverage for all shifts around the clock in order to maintain the safety of the residents, staff and the community.

In addition to front-line, direct care staff, the Regional Centers also have to provide therapy and treatment services (e.g. physical therapy, occupational therapy, nursing, etc.) when a position becomes vacant. Therefore none of these facilities experience any savings when a position becomes vacant. Indeed, instead of experiencing saving in these lines, the Department requested monies for FY 2007-08 for Regional Center staffing and prioritized this need as its number one priority decision item. Any imposed vacancy savings will exacerbate the staffing shortfalls that triggered the survey deficiencies and continue to jeopardize certification standards**.**

Other issues that affect Regional Center staffing and budgets include:

- **The Regional Centers must offer salaries above the minimum starting salary to attract qualified staff.** The Wheat Ridge Regional Center (WRRC) recently conducted an informal salary comparison to explain why it was having such difficulties filling direct care vacancies. The survey found entry-level salaries at competing health care facilities in the metro area were 10-15 percent higher than those offered at WRRC. WRRC has since implemented a pay adjustment in order to better compete for candidates, and have received 40 applications as a result of this initiative as compared to the four that were received in the prior comparable period. WRRC will use decreases in overtime to pay for the higher offered salaries.

- **The Personal Services line must cover related expenditures beyond salaries and benefits.** These expenditures include:
  - Overtime (approximately $1.6 million) to cover vacant direct-care positions;
  - Professional medical services ($311,000) to provide coverage and services through specialists without hiring FTEs or until an FTE can be hired when there is turnover; and
  - Retirement payouts ($281,000) since per State personnel rules the Department must pay retiring and departing employees for accrued annual leave and a portion of sick leave.

FY 2007-08 Figure Setting Comeback Request Priority #4

Department of Revenue – Emissions Program FTE
Priority on Decision Item List: N/A

	FY 2007-08 Base Request	FY 2007-08 Change Request	JBC Action	Comeback Request	Difference between JBC Action and Comeback Request
Total	**$1,066,406**	**$0**	**$874,575**	**$1,063,441**	**$188,866**
FTE	15.5	0	12.5	15.5	3.0
GF	0	0	0	0	0
CF	0	0	0	0	0
CFE	1,066,406	0	874,575	1,063,441	188,866
FF	0	0	0	0	0

Summary of Request

The Department requests $188,866 cash funds exempt spending authority from the AIR Account, and 3.0 FTE in the Vehicle Emissions program for audits of vehicle emissions inspections required by the new Clean Screen Program and for continuing diesel inspections. The Clean Screen audit requirements are associated with the Colorado Air Quality Control Commission's implementation plan for HB 06-1302. This request will restore the Emissions Personal Services and Operating Expenses line items to the amounts contained in the Department's FY 2007-08 continuation request. The funds would be from the AIR Account, which is funded by fees from emissions testing and is thus a guaranteed source of funding.

As directed by statute, the Air Quality Control Commission (AQCC) terminated the gasoline inspection portion of the Basic Emissions Program area for Larimer, Weld, and El Paso counties effective January 1, 2007. The Department currently has an appropriation of 3.0 FTE and $190,301 cash funds exempt spending authority from the AIR account to conduct audits of gasoline and diesel inspections. The Department will no longer need to audit the gasoline inspections after early spring 2007. The Department requests continuation of 0.3 FTE and $18,886 in cash funds exempt spending authority in order to continue auditing diesel inspections.

The passage of HB 06-1302 requires an expansion of the Clean Screen emissions inspection program. The bill requires the AQCC to develop a plan to implement the requirements of the bill. The AQCC's plan calls for audits of Clean Screen testing equipment once every day, which is an expansion of the current Clean Screen auditing requirement. The Department requests to use 2.7 FTE and $169,980 in cash funds exempt spending authority that would have been cut as a result of the cessation of the gasoline inspection program to continue their audit functions in the expanded Clean Screen program.

Committee Action

Based on a staff recommendation, the JBC reduced the Personal Services and Operating Expenses base appropriations by $190,301 cash funds exempt and 3.0 FTE. JBC staff's recommendation was based on staff's belief that no rule of law requires the Clean Screen Program to conduct work or accomplish tasks not offset by the cessation of the gasoline inspection program. JBC staff did not mention that audit requirements pertaining to the diesel inspection portion of the Basic Emissions Program are ongoing.

Conversations with both the Departments of Revenue and Public Health and Environment lead the OSPB to the conclusion that the Department of Revenue will be required to conduct <u>more</u> work than that was required under the gasoline inspection program.

The Department was expending 788.1 hours per year conducting Clean Screen Audits. The new law increases the frequency of audits because of an increase in the number of entities inspected, but decreases the length of time needed to conduct an audit. As such, the Department expects that it will expend 4,993.9 hours for Clean Screen audits per year, and <u>increase</u> of 4,205.8 hours per year. This workload analysis does not include administrative work and time spent processing audit information.

The Department was expending a total of 2,230.4 hours per year conducting only the audits on the diesel and gasoline inspection program. With the cessation of the gasoline portion of the program, the Department expects to require 102.4 hours to continue the diesel audits, a reduction of 2,128.0 hours required. This workload analysis does not include administrative work and time spent processing audit information.

The net increased workload to the Department as a result of eliminating the gasoline inspection program and adding to the Clean Screen audit requirements is 2,077.8 hours *in addition to what it was doing previously*. Therefore, it is the belief of the OSPB that the Department is being required to conduct work or accomplish tasks not offset by the cessation of the gasoline inspection program.

OSPB Comeback

The Department requests reconsideration of this action because, as part of the implementation of HB 06-1302, the AQCC adopted a plan to increase the frequency of Clean Screen audits from once every fourteen days to at least once every five days, effective July 1, 2007. Technically, the Clean Screen Program is not brand-new; it has been operating at a very low level for several years. However, HB 06-1302 dramatically increased the scope of the Clean Screen Program and designated it as the main emissions testing method for the metro-area.

Statutory language already in place before the passage of HB 06-1302 indicates that audits of emissions testing equipment is required to verify the accuracy of the tests themselves. (42-4-305(6)(a), C.R.S. and 42-4-306(14)(a), C.R.S.)

In statute, the AQCC is charged with developing a plan to implement the provisions of HB 06-1302, including implementation of the audit function and requirements (42-4-307.7, C.R.S.). The Fiscal Note Worksheet submitted by the Department of Revenue to the Legislative Council on

May 2, 2006 regarding HB 06-1302 indicated that the Department would face "indeterminate" expenses in implementing the requirements of the bill because, as directed by statute, the AQCC had not yet developed a plan for implementing the bill. The Department could not indicate its expenses since the AQCC did not develop the plan until December 2006, subsequent to the bill and fiscal note. The fiscal note for HB 06-1302 dated August 10, 2006 makes no mention of the Department of Revenue's indeterminate expense obligations.

The AQCC submitted its Implementation Plan (Plan) in December 2006. Recommendation #4 of the Plan indicates that audits are to be performed by the Department of Revenue every day. Since that time, the Department has worked with the Department of Public Health and Environment and private firms to contract for the auditing function. Currently, unsigned contracts indicate that the Department will audit at least once every five days. Conversations with the various parties involved indicate that this provision of the contract is not in issue and an agreement will be reached shortly. The contracts also provide that the Executive Director of the Department of Revenue shall have the ability to increase audit frequency if necessary. The contract is in accordance with the plan developed by the AQCC according to statute.

The Department believes that the contractual provision requires 2.7 of the 3.0 FTE that were needed for the Basic Emissions Program to address the increase in the audit frequency of Clean Screen vans in the Denver metro area. These are the same audit functions performed by the same staff; the resources are simply shifting from the gasoline portion of the Basic Program to the Clean Screen Program. Furthermore, the diesel inspection portion of the Basic Program has not been eliminated, meaning that approximately 0.3 FTE are needed to perform audits, station and mechanic licensing, complaints, waivers, software programming and other functions in the Basic Program area.

The Department notes that is was unable to provide a fiscal note about the impact of HB 06-1302 because under the bill, specific recommendations to implement the bill were to be provided by the AQCC at a later date. It was not until after the AQCC approved the recommended plan on December 14, 2006, that the fiscal impact to the Department could be determined.

Because the plan adopted by the AQCC requires the Department to significantly increase its audit function beginning July 1, 2007, decreasing the FTE in the Emissions Program will have the following consequences:

- Inadequate quality assurance and confirmation that emissions testing equipment is calibrated correctly. Without accurate testing, the data may be deemed invalid. This places the entire Clean Screen Program in jeopardy and may invite scrutiny from EPA.
- Delay in the implementation of HB 06-1302, which was designed to expand the use of Clean Screen so as to reduce the overcrowding in the testing lanes and reduce the inconvenience for the general public. This frustrates statutory intent.
- Inability of the Department to uphold potential contractual obligations to conduct audits.

FY 2007-08 Figure Setting Comeback Request Priority #5

Department of Human Services – Disaster Recovery FTE
Priority on Decision Item List: 11 out of 27

	FY 2007-08 Base Request	FY 2007-08 Change Request	JBC Action	Comeback Request	Difference between JBC Action and Comeback Request
Total	**$0**	**$72,832**	**$0**	**$72,832**	**$72,832**
FTE	0	1.0	0.0	1.0	1.0
GF	0	52,385	0	52,385	52,385
CF	0	289	0	289	289
CFE	0	6,605	0	6,605	6,605
FF	0	13,553	0	13,553	13,553
MCF	0	3,134	0	3,134	3,134
MGF	0	1,567	0	1,567	1,567
NGF	0	53,952	0	53,952	53,952

Summary of Request

In light the $2.1 billion worth of monetary, medical and food benefits that are processed through the various information technology systems operated and managed by the Department of Human Services (i.e., CBMS, CFMS, Trails, etc.) the Department is requesting 1.0 FTE and $72,832 to address continuity of business operations for the Department's critical computer systems and ensure that the Department can continue to provide critical benefits and services in a timely and efficient manner.

Committee Action

Although Joint Budget Committee staff recommended this request, the Committee voted against it. Instead the Committee wanted to know how disaster recovery and continuity of business operations is being addressed on a statewide basis.

OSPB Comeback

Recent events like Hurricane Katrina and the 2004 zinc-whiskers incident[1] have impressed upon the Department the need to be prepared in the event of a disaster and the need to ensure continuity of services and benefits for Colorado's most at-risk citizens.

[1] In June, 2004, the Secretary of State suffered a 'zinc whiskers' computer disaster that contaminated its computer data center and related equipment crippling many of its IT systems for a period of nearly 30 days. Recovery from this catastrophe required the Secretary of State to purchase all new computer equipment, relocate to new office space, and construct new offices and a completely new, clean data center in which to install and program its new computers, at an estimated cost of $4.0 million.

In the wake of the zinc-whisker incident, the JBC approved $3.6 million for FY 2005-06 to establish for a disaster recovery site to provide a redundant computer environment ensuring continued business operation for events ranging from minor power outages, to temporary lack of access, to major catastrophes. Since then, the JBC has approved ongoing operating costs of approximately $2.3 million for FY 2006-07 and $2.2 million for FY 2007-08.

Although the Secretary of State was given the task of developing the E-FOR^{3}T site, this disaster recovery site was intended to be available to all state agencies for business continuity and disaster recovery purposes, so long as each agency provided its own computer equipment in accordance with whatever method of computer disaster recovery best supported its business continuity plan. The site was completed and operational as of September 2006, and in January 2007 the Department of Human Services began moving back-up servers, hardware and software systems into the E-FOR^{3}T site.

Now that E-FOR^{3}T is operational, the Department of Human Services is requesting 1.0 FTE to capitalize on this investment in order to begin to safeguard its IT systems and programs. In addition to regularly replicating and updating data, this FTE will identify critical business functions, dependencies and recovery priorities; create and maintain disaster recovery plans; implement testing; manage disaster recovery equipment, and coordinate with the State's Continuity of Operations Planning efforts. As there are no DHS IT staff currently dedicated to disaster recovery, the Department believes that 1.0 FTE is required to ensure the availability of its critical computer systems in response to a disaster given its size and role - the Departments currently employs 5,500 FTE and supports numerous computer systems that provide services and benefits to more than 500,000 clients each month (this number would likely increase in the aftermath of a disaster).

The Executive Branch fully supports continued statewide disaster recovery collaboration. In October 2006 the Office of Information Technology released its statewide disaster recovery policy and continues to ensure that all departments are developing disaster recovery plans and taking advantage of the E-FOR^{3}T site. However in light of the number of critical IT systems operated by DHS which deliver approximately $2.1 billion in annual benefits, the Executive believes it would be imprudent to delay DHS' disaster recovery efforts. Thus, the OSPB respectfully requests that the JBC appropriate 1.0 FTE for DHS in order to effectively leverage the $8.1 million the State has already appropriated for disaster recovery.

FY 2007-08 Figure Setting Comeback Request Priority #6

Department of Human Services – Human Resources Staffing Increase
Priority on Decision Item List: 9 out of 27

	FY 2007-08 Base Request	FY 2007-08 Change Request	JBC Action	Comeback Request	Difference between JBC Action and Comeback Request
Total	**$4,626,245**	**$69,638**	**$4,613,062**	**$4,676,897**	**63,835**
FTE	69.1	0.0	69.1	1.0	1.0
GF	1,688,050	69,638	1,682,777	1,746,612	63,835
CF	171,387	0	171,124	171,124	0
CFE	732,875	0	730,765	730,765	0
FF	2,033,933	0	2,028,396	2,028,396	0

Summary of Request

Cognizant of the difficulty of requesting and receiving FTE, the Department requested $69,638 to fund temporary human resources staff to bring DHS' HR staffing closer to statewide norms and support the human resources services needed for the growing DHS staff structure. DHS employs many health care and other direct care positions which are difficult-to-recruit as well as provides programmatic direction to all counties throughout the state. Given the complexities of its human resources composition, the Human Resources (HR) Division must be sufficiently staffed in order to meet the needs of the agency and the clients it serves.

Committee Action

Although JBC staff recommended the request, the Committee denied the request for contract Human Resources staff.

OSPB Comeback

The OPSB respectfully requests 1.0 FTE and $69,638 General Fund to enable the Department to address it staffing HR needs.

Several metrics point to the HR staffing need:

- The ratio of HR staff to department staff is 0.66 HR FTE per 1000 employees for DHS whereas that average for all state departments is 0.87 HR FTE per 100 employees;

- DHS' department-wide 'time to fill' a vacancy is 56 days which exceeds the statewide average of 39 days by 17 days or 44 percent;

- The turnover rate at the Department averages 15.4 percent annually as compared to the statewide 12.4 percent turnover rate;

- DHS has the broadest range of job classes of any state agency (DHS has 226 different job classes while DOC has 147) which minimizes the opportunity to re-use recruitment and testing processes; and

- During the budget cut of FY 2002-03 and FY 2003-04, 17.0 training FTE were cut from this division forcing the Department's HR staff to assume these additional responsibilities while HR workload has roughly tripled in recent years going from 449 new employees in FY 2001-02 to FY 1,295 new employees in FY 2005-06.

The requested FTE will provide specialized services for DYC's North Central Region and will help to fill the 80 vacancies that occur in that division and region each year that currently take approximately 72 days to fill. This HR specialist will also oversee roughly 50 performance-related corrective or disciplinary actions each year; review and revise approximately 80 position description questionnaires each year; make benefits changes for roughly 50 percent of the staff each year and provide new employee training and orientation.

If the request were funded, the Department anticipates being able to able to reduce the 'time to fill' for DYC's North Central Region from 72 days and reducing workload for the existing 12 certified HR specialists enabling them focus on filling other DHS vacancies (i.e. at the regional centers and mental health institutes) in a more timely manner. Not funding the request will continue to result in dangerous staffing conditions at DYC facilities due to staff shortages, higher staff burnout and turnover rates, mistakes made in youth oversight and service delivery and high overtime and contract staffing costs.

FY 2007-08 Figure Setting Comeback Request Priority #7

Department of Natural Resources – Refinance General Fund with Cash Funds
Priority on Decision Item List: N/A

	FY 2007-08 Base Request	FY 2007-08 Change Request	JBC Action	Comeback Request	Difference between JBC Action and Comeback Request
Total	**$25,110,298**	**$0**	**$25,058,560**	**$25,058,560**	**$0**
FTE	266.6	0.0	266.6	266.6	0.0
GF	3,366,860	0	2,609,087	3,259,087	750,000
CF	19,103,984	0	19,810,019	19,060,019	(750,000)
CFE	2,191,060	0	2,191,060	2,191,060	0
FF	448,394	0	0	448,394	0

Summary of Request

Colorado State Parks is charged in statute[2] with providing a broad variety of outdoor recreation venues and programs for the use, benefit, and enjoyment of the people of Colorado. State Parks attempts to self-finances as much operational costs as are reasonably possible through user fees[3].

The Department believes that General Fund is an important component of carrying out State Parks' mission. The JBC decision to refinance $750,000 of General Fund in the State Parks budget with $750,000 in cash funds is a setback in the agency's ability to meet this mission because of the cumulative impact of the refinance on available revenue and potential inability to increase or maintain customer service to its visitors.

Committee Action

JBC staff recommended, and the Committee approved, refinancing Colorado State Parks' operations by increasing the cash fund appropriation by $750,000 and reducing the existing General Fund appropriation by $750,000. The JBC is pursuing this refinance based in part on a recommendation by JBC staff that the Division increase its daily parks pass fee from $5.00 to $6.00, which has been estimated to generate an additional $650,000 in revenue for FY 07-08.

OSPB Comeback

State Parks and the Department request reconsideration of the decision for the following reasons:

Recent Park Fee Increases -- State Parks and its Board have recently pursued fee increases to increase the agency's self-sufficiency. The Board raised the annual park pass fee in 2004, and has since approved several fee increases directly associated with improvements and services at

[2] 33-10-101, et seq., C.R.S.
[3] As directed by state law in 33-12-100.2, C.R.S.

the park level. Such improvements include full service campground facilities, expanded marina operations, improved group picnic facilities, and full service cabins. The added revenue from these fee increases has helped to offset rising operating expenses, including fuel and utility costs. This has limited the need for Parks to request additional General Fund support.

$1.00 daily fee increase **--** For FY 05-06, the Division sold 741,515 daily passes at $5 each, generating $3.7 million in cash fund revenue. As such, the daily pass fee generates some of the most significant revenue that State Parks receives. State Parks does not believe that its visitors would be hesitant to pay the proposed $1.00 fee increase. Such an increase would produce an estimated $650,000 in annual additional cash revenues. Furthermore, a 2002 study by PriceWaterhouseCoopers (PwC) concluded that price-sensitivity to such an increase was not significant (15 percent resistance through a survey at that time).

However, State Parks is very concerned about the potential negative impacts associated with the General Fund reduction and corresponding fee increase. One of the primary findings in the PwC study is that visitors understand what State Parks will do with the new revenue generated by such a fee increase. Coloradoans are more accepting of fee increases if used to enhance the quality of experience at state parks. The PwC study found that Coloradoans perceive a $1.00 general increase in the daily park entrance fee as carrying no value added to park visitors and generally disfavor such an approach.

Cash Flow **--** The refinancing affects available Parks operating fund balances and has significant cash flow implications. The Division relies on up-front General Fund resources to carry it through a normal negative cash flow period during the low season when operating expenses exceed cash revenue receipts. Any refinanced cash revenue has to be earned over the full fiscal year. Historically, only 37 percent of the Division's cash revenue is generated in the first six periods of any given fiscal year. Therefore, the refinancing significantly reduces the available General Fund critical to sustaining operations through negative cash-flow months. This proposed action would require the Division to materially reduce operations in FY 2007-08 to offset the up-front General Fund reduction.

Cumulative Impact **--** In addition to the $650,000 base program refinance, the JBC refinanced State Parks' POTS allocations at a 30 percent General Fund and 70 percent Cash Funds mix instead of the previous allocation of 100 percent General Fund. The practical implication of this decision is that cash funds will cover the majority of the cost of: (1) salary increases; (2) health, life, and dental increases; and (3) inflationary increases associated with other potted allocations. This funding mix change will limit the Division's ability to generate enough cash to cover annual continuation increases in centrally potted allocations. If Parks is not able to generate enough additional revenue to cover these costs, services may have to be cut.

FY 2007-08 Figure Setting Comeback Request Priority #8

Office of the Governor – Office of the Chief Information Security Officer
Priority on Decision Item List: 1 out of 2

	FY 2007-08 Base Request	FY 2007-08 Change Request	JBC Action	Comeback Request	Difference between JBC Action and Comeback Request
Total	**$0**	**$2,449,782**	**$2,449,782**	**$4,899,564**	**$2,449,782**
FTE	0.0	2.0	2.0	2.0	0.0
GF	0	2,449,782	0	2,449,782	2,449,782
CF	0	0	0	0	0
CFE	0	0	2,449,782	2,449,782	0
FF	0	0	0	0	0

Summary of Request

Pursuant to HB 06-1157, the Governor's Office requested $2,449,782 General Fund and 2.0 FTE for the creation of the Office of the Chief Information Security Officer (CISO). The legislation was prompted by the recognition that the State's information and communication infrastructure is aging, vast, and vulnerable to cyber attacks.

Committee Action

In accordance with Section 24-37.5-403 (3), C.R.S., and the fiscal note for HB 06-1157, which reads that "…the costs of the services provided by the CISO be adequately funded…through an appropriation to the public agency to pay for such services", the JBC adopted an appropriation for the requested amount and FTE but the source of funding was cash funds exempt. This action leaves the Office of the CISO with unfunded spending authority. The JBC action indicated that the Governor's Office should develop a methodology through which the costs of the CISO services were billed to the department for which they were provided.

OSPB Comeback

The Governor's Office originally made this request as General Fund because there is no apparent and equitable methodology through which to distribute this funding to the departments. This is due to the fact that the Office of the CISO is a new entity for which there is no service history. However, the original request did not conform to the statutes. As such, the OSPB respectfully requests that the JBC consider legislation which would amend the statutes that created the Office of the CISO and thereby allow for a direct General Fund appropriation to the Governor's Office for this purpose. Given the lack of a distribution methodology and the statewide benefit of the cyber security services, the Governor's Office believes this to be an appropriate course of action.

If the JBC prefers not to amend the current statutes, the Governor's Office proposes an alternative methodology based on department FTE appropriation. While not perfect, the FTE count is the most identifiable data through which funds can be allocated at this time. Presumably, FTE equates to computer usage, potential vulnerability to cyber threats, and the need for cyber security services. Table 6.1 shows the calculation of the Office of the CISO funding according to the proposed methodology.

Table 6.1

Requested Funding for the Office of the CISO

Department	Approp. FTE	% FTE	GF
Agriculture	282.0	0.59	$14,413
Corrections	6,094.3	12.71	311,481
Education	466.5	0.97	23,843
Governor	139.4	0.29	7,125
Health Care P&F	226.7	0.47	11,587
Higher Education	18,876.2	39.38	964,768
Human Services	5,334.7	11.13	272,658
Judicial	3,542.6	7.39	181,063
Labor & Employment	1,089.1	2.27	55,664
Law	358.9	0.75	18,343
Legislature	276.3	0.58	14,122
Local Affairs	192.8	0.40	9,854
Military & Veterans Affairs	1,187.8	2.48	60,709
Natural Resources	1,466.8	3.06	74,969
Personnel & Administration	541.3	1.13	27,666
Public Health & Environment	1,150.2	2.40	58,787
Public Safety	1,285.8	2.68	65,718
Regulatory Agencies	537.2	1.12	27,456
Revenue	1,423.0	2.97	72,730
State	126.5	0.26	6,465
Transportation	3,307.2	6.90	169,032
Treasury	26.0	0.05	1,329
Total	**47,931.3**	**100.00%**	**$2,449,782**

FY 2007-08 Figure Setting Comeback Request Priority #9

Department of Health Care Policy and Financing – Maintain Funding for Enrollment Broker Contract
Priority on Decision Item List: N/A

	FY 2007-08 Base Request	FY 2007-08 Change Request	JBC Action	Comeback Request	Difference between JBC Action and Comeback Request
Total	**$942,784**	**$0**	**$700,000**	**$942,784**	**$242,784**
FTE	0.0	0.0	0.0	0.0	0.0
GF	437,878	0	316,486	437,878	121,392
CF	0	0	0	0	0
CFE	33,514	0	33,514	33,514	0
FF	471,392	0	350,000	471,392	121,392

Summary of Request

In its FY 2007-08 base request for SB 97-005 Enrollment Broker, the Department requested continuation funding of $942,784 in total funds. This amount included $33,514 in cash funds exempt appropriated from the Health Care Expansion Fund in FY 2006-07 due to removal of the asset test under HB 05-1262.

Committee Action

Joint Budget Committee staff recommended a reduction of $33,514 to the Enrollment Broker line item due to decreases in managed care caseload. A discussion of managed care caseload between JBC staff and JBC members followed. The discussion resulted in a Joint Budget Committee member making a motion to cut funding for the Enrollment Broker contract to $700,000 in total funds for FY 2007-08. The motion passed unanimously.

OSPB Comeback

The OSPB respectfully requests continuation funding for FY 2007-08 in the amount of $942,784 for the Department's line item S.B. 97-005 Enrollment Broker. The enrollment broker is required by regulation to provide information to **all** Medicaid-eligible clients, not just to those who choose to enroll in the managed care program. This is to fulfill the Department's directive to ensure all Medicaid clients have informed consent when choosing among available medical assistance programs.

The Department is required by federal regulation under 42 C.F.R. Section 438.10 to undertake various activities to ensure all eligible Medicaid clients receive sufficient information to make an informed choice when they decide to enroll in either a managed care or a primary care physician program. The Centers for Medicare and Medicaid Services (CMS) requires the Department to follow very specific instructions with respect to content, format, and procedures used for the dissemination of information to Medicaid-eligible clients about their options. Under this regulation, the Department must:

- Provide all enrollees and potential enrollees with enrollment notices, informational materials, and instructional materials in a manner and format that may be easily understood (including printing in non-English languages, oral interpretation services, and alternative formats);
- disseminate information about the availability of various languages, formats, and communication alternatives for receiving information, and provide clear instructions regarding how to access these alternatives;
- tailor details of printed materials to different regions within the State;
- produce and distribute directories of physicians, specialists, and hospitals, including information on those who speak a non-English language;
- describe all benefits available under the State plan that are not covered under the contract, including how and where the enrollee may obtain those benefits, any cost sharing, and how transportation is provided; and
- provide information about where and how to obtain a counseling or referral service.

In fulfilling all of the functions described above, the Department contracts with an enrollment broker with a multilingual staff who produce printed materials; operate a call-center; disseminate mailings; counsel, enroll and dis-enroll clients; and coordinate with participating physicians, specialists and hospitals.

Results from a recent managed care audit conducted by CMS are imminent. Preliminary results communicated to the Department by CMS indicate that the Department is noncompliant in providing certain materials for notifying clients of their choices and that the materials need to be enhanced to better educate clients of their choices in managed care and the primary care program. Therefore, to decrease the line item by 26 percent would further prevent the Department from meeting federal regulations and cause much more serious concerns in terms of federal audit results. The current FY 2007-08 contract in clearance maintains the base request funding, yet improves the quality of various printed materials in response to feedback from CMS regarding the managed care audit.

Managed care in Medicaid is an important approach for the State to provide a medical home for the Medicaid clients, to ensure care management, to prevent over-utilization, and to ensure quality care for clients. The Health Plan Employer Data and Information Set (HEDIS) reports show that clients in managed care plans typically receive more primary care services (e.g. immunizations, primary care physician visits) than clients in the fee-for-service program. Recently, ensuring that Medicaid clients have a medical home has been an important issue for the General Assembly and the Joint Budget Committee. The Department is in the process of researching ways to expand managed care in the State. The Department contracts with various types of managed care organizations, including health maintenance organizations, primary care physicians, and prepaid inpatient health plans. The enrollment broker helps the General Assembly achieve managed care goals. Dramatically decreasing the scope of work of the enrollment broker at this time would direct resources away from supporting managed care in Medicaid.

FY 2007-08 Figure Setting Comeback Request Priority #10

Department of Colorado Commission on Higher Education – Governor's Opportunity Scholarship
Priority on Decision Item List: 1 of 1

Need Based Aid line item

	FY 2007-08 Base Request	FY 2007-08 Change Request	JBC Action	Comeback Request	Difference between JBC Action and Comeback Request
Total	**$57,436,963**	**$0**	**$57,436,963**	**$65,396,963**	**$7,960,000**
FTE	0.0	0.0	0.0	0.0	0.0
GF	57,436,963	0	57,436,963	65,396,963	7,960,000
CF	0	0	0	0	0
CFE	0	0	0	0	0
FF	0	0	0	0	0

Governor's Opportunity Scholarship line item

	FY 2007-08 Base Request	FY 2007-08 Change Request	JBC Action *	Comeback Request	Difference between JBC Action and Comeback Request
Total	**$8,000,000**	**$0**	**$7,960,000**	**($0)**	**($7,960,000)**
FTE	0.0	0.0	0.0	0.0	0.0
GF	8,000,000	0	7,960,000	0	(7,960,000)
CF	0	0	0	0	0
CFE	0	0	0	0	0
FF	0	0	0	0	0

***** Historically, the General Fund appropriation to the Governor's Opportunity Scholarship program has been $8.0 million. However, a FY 2006-07 supplemental reduced the line item by $40,000 to help fund increased costs for National Guard Tuition Assistance in the Department of Military Affairs.

Summary of Request

The Department of Higher Education is requesting that the $7,960,000 General Fund appropriated to the Governor's Opportunity Scholarship (GOS) line item be folded into the general Need Based Aid line item for financial aid. *The Department's FY 2007-08 request for the GOS reflected the priorities of Governor Owens. The request was not revised to reflect the priorities of Governor Ritter and Commissioner David Skaggs. The OSPB apologizes for any confusion. It is the desire of the Ritter Administration that the GOS program be phased-out and that all General Fund in the Program be folded into the general Need Based Aid line item.*

History. The Governor's Opportunity Scholarship Program is a state need-based financial aid program that provides financial assistance and academic support to a limited number of low-income students. When the program was created in 1999, the intent was to change enrollment and graduation patterns of low-income students by focusing state and federal financial assistance toward Colorado residents who are the least likely to attend college for financial reasons. Eligible recipients receive both academic and financial assistance throughout their undergraduate career.

Committee Action

The Joint Budget Committee voted to approve the OSPB request which had not been updated to reflect the CCHE revised request approved by the Governor. The JBC's action provided for $7,490,000 in General Fund to be appropriated to GOS.

OSPB Comeback

The OSPB respectfully requests that the Joint Budget Committee reconsider its decision to continue to fund the Governor's Opportunity Scholarship program. Please consider the following justification for this comeback request:

- *In the current Colorado higher education budget environment of very limited resources, the Commission prefers to administer the limited money available for student financial aid as equitably as possible.* Equity for this purpose should mean that students with comparable needs and comparable academic credentials are as much as possible treated comparably in granting need-based financial aid. The GOS diverts a significant amount of need-based aid to make more generous awards to selected students who thereby receive preferential treatment compared to their peers. Currently, there are approximately 1,240 students participating in the program with an average award of $6,446. By comparison, the average award for the 35,000 students who qualify for GOS but were not selected is $1,536.

  The Commission on Higher Education voted in March of 2007 to phase the program out, allowing additional funds from the GOS program to be transferred into Colorado's need-based program.

- *Phasing out GOS will shift approximately $2.0 million each year over the next four years ($8.0 million cumulatively) into the pool of need-based aid available to all needy students on an equal basis.* In other words, looking forward, by putting what might have been GOS recipients into the category of all students eligible for need-based aid, the Department would be able to <u>fund an additional 5,200 students</u> at the average award amount of $1,536. We will avoid the current inequity where one of two needy students with identical circumstances would receive a GOS while the other would receive substantially less aid. The change is prospective only, to be phased in over four years, so current GOS recipients will not be affected by the change.

STATE OF COLORADO

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Bill Ritter Jr.
Governor

Todd Saliman
Director

Members of the Joint Budget Committee

March 16, 2007

The Honorable Senator Tapia, Chair, and Members of the Joint Budget Committee:

The OSPB, on behalf of the Department of Public Health and Environment and the Department of Revenue, respectfully requests that the Joint Budget Committee to reconsider the prioritization of FY 2007-08 capital projects to include the small drinking water and waste water grant requests from the Department of Public Health and Environment and the Fort Morgan port of entry project request from the Department of Revenue. Below is a summary of each program and the use of the funding.

Wastewater: The Department of Public Health and Environment asks for reconsideration of a life safety request for $1.5 million for the Domestic Wastewater Treatment Grant Program. This program is necessary to assist small communities with public health and environmental issues related to their wastewater treatment needs. Discharges of inadequately treated effluent into state waters can pose risks to public health and may negatively impact the environment if not addressed.

Capital construction funds are requested for distributing grant funds to small communities (less than 5,000 population) to construct or upgrade wastewater treatment facilities. The Domestic Wastewater Treatment Grant Program was established under Section 25-8-703, C.R.S. and has been providing assistance to communities since 1974 and is an instrumental tool used to assist small communities with their water quality improvement needs.

Fifteen applications were received from small communities requesting over $9 million in grants from the FY 2006-07 appropriation. Only nine systems will receive funding from that appropriation. The Division prepares and the Water Quality Control Commission annually approves a comprehensive Project Eligibility List documenting the infrastructure needs of small community wastewater systems. The 2007 Project Eligibility List identifies more than $379 million in infrastructure needs of small communities. Funding from the Capital Development Committee is critical to assist with funding these small communities' water quality needs.

Drinking Water: This is a life safety request for $1.5 million for the Small Community Drinking Water Treatment Facilities Construction Grant Program and is necessary to assist small communities (population less than 5,000) with funding of public drinking water system improvement projects that assure delivery of safe drinking water. The request is necessary to protect public health and assist public water systems that are not currently providing safe drinking water or at risk of not being able to in the future.

Capital Construction funds are requested in order to provide grant funds to small local government and not-for-profit public water systems to assist with the cost of planning, design and construction of public water system improvements. These grants will enable communities to provide safe drinking water and abate health risks. The State Drinking Water Grant Program was established under Section 25-1.5-208, C.R.S. and has been providing assistance to communities since 1999.

Fourteen applications were received from small communities requesting over $3 million in grants from the FY 2006-07 appropriation. Only nine systems will receive funding from that appropriation. The Division prepares and the Water Quality Control Commission annually approves a comprehensive Project Eligibility List documenting the infrastructure needs of small community water systems. The 2007 Drinking Water Grant Program's Project Eligibility List identifies more than $387 million in infrastructure needs of small communities.

Fort Morgan Port of Entry: The Department of Revenue has a statutory mandate to enforce federal and state size and weight laws. Weight laws exist because heavy trucks impart large stresses on roads, causing them to deteriorate more quickly than they would otherwise. The State charges fees to recoup the cost imposed by these vehicles through the use of scales at designated points along state highways.

The scale pit in the eastbound scale lane at the eastbound Ft. Morgan Port-of-Entry facility is facing structural failure, resulting in the scale pit wall being pushed against the scale deck. In reviewing the problem with Colorado Department of Transportation (CDOT) bridge engineering, the cause of the damage appears to be movement of the eastbound scale exit lane into the easternmost wall of the scale pit. The movement of the exit lane has caused the east wall of the scale pit to move inward far enough to bind against the scale deck, preventing accurate weighing of vehicles at this port.

Without timely and significant repairs, it is anticipated that the scale will encounter significant operational problems. The approach lane will continue moving and applying pressure to the scale pit wall. The concrete wall will move and buckle, large pieces of the structure will begin to fall off, and trucks will not be weighed. If the scale pit does fail, the eastbound side of the Ft. Morgan Port-of-Entry will need to be closed, resulting in a significant loss of revenue, and may compromise highway safety. In FY 2005-06, the port cleared 707,993 vehicles and collected $362,599 in revenue. This problem is characterized as an unforeseen contingency because the deterioration has worsened with little warning, and structural failure may be possible. Despite previous repair efforts, the Department determined, in conjunction with CDOT, that the problem would continue and potentially worsen throughout FY 2007-08.

For FY 2007-08, the Department is requests $284,174 in total funds, including $142,161 HUTF "off-the-top" and $142,013 in Capital Construction Funds Exempt (CCFE) for this project. Due to HUTF continuation funding for the Department of Public Safety, the Department of Revenue is requesting that capital construction funds be used to fund a portion of this request. The cost of repair is less than the annual revenue generated. If this facility were to go offline, additional traffic would likely start to flow through Fort Morgan, increasing the deterioration of roads statewide without generating offsetting revenue.

A portion of the cost estimate is modeled after a similar project at the Monument port, which was evaluated by two firms: Hallmark, Inc., a concrete construction firm; and Terracon, a geotechnical engineering firm. For the Ft. Morgan project, CDOT Bridge Design, who had previously participated in the design components of a similar project at the westbound Ft. Morgan POE, reviewed and modified the Monument estimates as necessary to conform to the particular conditions at the Ft. Morgan POE. CDOT also added a component for the design and construction of the approach lane, which is a problem specific to this particular request.

Thank you for consideration of this request.

Todd Saliman
Director

c.c. CDC
Jennifer Moe
Stephanie Walsh
Lauren Saine
Jed Franklin
Patrick Byrne